

Abstract of the Invention

The present invention is a method and system for managing the sale of a tier-priced commodity. The method of the invention includes determining the price of a commodity at two or more tiers and calculating a risk coefficient based upon the risks associated with purchasing the commodity at a lower tier. The method manages these risks by offering a financial instrument designed to indemnify against the risks associated with purchasing a commodity at a lower tier. The purchase price of the indemnifying financial instrument is included in the price of the commodity. The present invention also includes a system whereby a customer may purchase a tier-priced commodity from one or more seller; wherein the purchase price of said commodity includes the price of the indemnifying financial instrument. The system also allows the customer to purchase an indemnifying financial instrument from more than one seller. The present invention also includes a method of searching for the best price of a tier-priced commodity sold with an indemnifying financial instrument. The present invention also includes a system for carrying out the described methods via the Internet with the customer using web pages presented on the World Wide Web as a user interface.